

Sida Helpdesk on Human Security

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Security**



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Advice on Portfolio Development in the Eastern Partnership region and Russia: implications of Ukraine conflicts

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Section A

Requested by Sida

Sida requested the Helpdesk to review and analyse the direct and indirect implications of the conflict in Ukraine in 2014 for the portfolio of programmes supported by Sida in the Eastern Partnership Region (EaP) and in Russia; taking into account the Results Strategies for Sweden's support to these regions and countries.

The context is that Sweden supports a portfolio of programmes in the Eastern Partnership (EaP) region and in Russia, which is being reviewed and developed in the context of the new Results Strategies for Sweden for 2014 – 2020 and 2014 -2018 for these two areas respectively. The Ukraine crises, including conflicts in Crimea and Eastern Ukraine, have potentially serious direct and indirect implications for Sweden's existing and future portfolios under these two Results Strategies. Sida requests the Helpdesk's analysis and advice as inputs into a process of reviewing and prioritising areas of support and programming under the under the new Results Strategies.

In this context, the Helpdesk is requested to prepare an examination identifying the geopolitical and other consequences and implications of the conflicts in the Ukraine on countries, and women and men, of the EaP and Russia. The identified consequences should be gender sensitive. On the basis of this analysis, the Helpdesk is requested to:

- Review and identify areas within the Sida-funded regional portfolio for the EaP and Russia for which re-focussing might be relevant.
- Identify regional, including transboundary, effects and responses which could be addressed by Sida
- Identify complementary areas and/or partners for conflict prevention and post-conflict recovery for Sida's possible consideration.

The advice provided should include all main results areas in the respective Results Strategy for Sweden; and should be based on principles of conflict sensitivity /do no harm.

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Section B: Advice on Portfolio Development in the Eastern Partnership region and Russia: implications of Ukraine conflicts

Introduction

This Section presents the Helpdesk's analysis, findings and advice on the impacts and implications of the Ukraine crises and conflicts of 2014 and the possible implications for Sida's portfolio of supported programmes in the EaP region and Russia, taking into account the main results areas of Sweden's new Results Strategies for the EaP and Russia.

The section is divided into three main sub-sections. The first identifies and examines the impact and implications of the Ukraine conflicts for the EaP (including Ukraine) and for Russia. These include direct impacts and implications, and also indirect implications arising from the Ukraine crises' place as an aspect of the Russian government's increasingly assertive wider policies and practices in relation to its 'near abroad' and the EaP overall.

The second sub-section then examines the implications and issues raised by the Ukrainian conflicts for the priorities and implementation of Sweden's results Strategies for EaP and Russia (2014-2020 and 2014-2018 respectively). The third sub-section draws some overall conclusions, and then provides more specific suggestions and advice as inputs to Sida's review of its portfolios of supported programmes in EaP and Russia

1. Impact of the Ukraine conflict on Eastern Europe and Russia

At the geopolitical level, the Ukraine crisis has exacerbated, highlighted or reframed a number of longer-term issues affecting relationships between the EU, Russia and Eastern Partnership (EaP) countries. A 'conflict of values' and competitive allegiances between Russia and the West have been brought to the fore, resulting in increased pressure on EaP states and citizens to choose between Russian or Euro-Atlantic integration.

This is intensified by Russia's preparedness to use coercive military action in its neighbourhood. The Ukrainian conflict highlights and confirms Russia's willingness to , change interstate borders by military force, and further erodes adherence to the concept of territorial integrity in the post-Soviet space.

Moreover, while maintaining a certain cohesion, the EU's collective response to the conflict initially faltered, revealing disunity and imbalance in member states' positions and indicating weaknesses in aspects of the EU's existing security architecture. Although these differences were overcome during the autumn and winter of 2014 to produce some significant, if cautious, EU agreements to apply sanctions against Russian elites, many (including in the Russian and Eastern European governments and elites) still perceive EU co-ordination and determination to be fragile on this matter.

The vulnerability of European energy security has also been highlighted by the Ukrainian crisis and debates about possible responses ; emphasising the urgent need for effective measures to reduce the EU's and others' dependence on Russian-controlled hydrocarbons. This, along with the sanctions themselves, has likely effects on economic growth and market development in the EU, Russia and EaP countries, as well as more globally.

All this creates additional challenges to the ability and willingness for global collective action, at a time when proactive and effective cooperation is needed to deal with key global threats including Ebola, the Islamic State, and so on. 2015 is a high-stakes year both in terms of the on-going crisis in Ukraine and of wider EU and USA relations with Russia. The conflicts and associated tensions will have real but unpredictable implications for the future of Russian domestic politics and leadership, and similarly in Ukraine and elsewhere in the EaP ; with ramifications for the whole of Europe.

1.1. Consequences of the conflict for the men and women of EaP

The consequences of the geopolitical changes in context for the men and women of the EaP region are not homogenous, given differences in economic and political development, geopolitical orientation and relations with Russia and the EU. Nevertheless, a number of important general implications and trends can be identified.

European course

Changing perceptions and appeal of the EU among EaP populations

Public opinion in most EaP countries has long been divided over the relative costs and benefits of Russian or EU orientation. The EU does not feature heavily in public discourse in Armenia, Azerbaijan or Belarus, which are largely oriented towards Russia. In the wake of the Ukraine crises, the three countries that have embarked on an Association process with the EU (Moldova, Georgia, and Ukraine) are witnessing diminished support for the EU integration process among some sections of the population, reflecting increased polarisation. This is related partly to fears of Russian pressure and intervention, and partly to the perceived weak response of the EU to the conflict.¹ Media sources, particularly television, are playing a large role in driving polarisation of opinions in EaP countries (see below).

Economic security in the space between EU and Russia:

The Ukraine crisis has obviously had direct negative effects for Russia and Ukraine, but with substantial spill-over effects for other EaP countries. This is likely to continue if the crisis is not resolved and conflicts in Eastern Ukraine continue. There is the potential for these to disrupt energy and food security in the region (see below).

The Russian economy has steadily contracted over the twelve months since the start of the recent Ukraine crisis. This was due to a number of factors, but has been greatly exacerbated by the major reductions in international oil and gas prices. Some analysts predict an outright

¹ One-third of Moldovans favour an Association Agreement with the EU, while half of Ukrainians do. In Georgia, support for European integration grew tremendously after 2008, and for the past 6 years stayed at around 65 percent. However, since the events in Ukraine, support has decreased 8 percentage points, while fear of Russia has increased by 14 percentage points. Source: Europe Policy Paper 3/2014, 'Regional Repercussions of the Ukraine Crisis, Challenges for the Six Eastern Partnership Countries', Ed. Alina Inayeh, Daniela Shwarzer and Joerg Forbrig. http://www.gmfus.org/wp-content/blogs.dir/1/files/mf/1404920650Inayeh_UkraineCrisisRegionalOutlook_Jun14_web.pdf (28/10/2014)

recession in Russia later in 2015.² In Ukraine, increased military expenditure and disruptions in production and trade due to the ongoing conflict have hit the economy heavily, with economists predicting the economy will contract by 7.5% in 2014.³ This is in the context of severe economic problems in previous years. Russian economic slowdown is likely to have a significant impact on Belarus, Armenia, Ukraine and Moldova, due to their high exposure to the Russian economy. Their close trade, investment and remittance links with Russia imply major vulnerabilities, and trade, investment and remittances are all expected to decline further as the Russian economy weakens.⁴ Moreover, Russia's use of trade as a geopolitical tool may affect these economies if Russia decides to apply further trade embargoes on key products from these regions, to increase pressure on these countries to choose ties with Russia over ties with the EU.

Food security

Since Ukraine is one of the world's largest grain exporters, analysts have expressed concern about the potential impact of the Ukraine crisis on global food security, including in the EaP countries. However, Ukraine's cereal production and export potential remained high in 2014, and are forecasted to remain high in 2015⁵. There have not yet been significant changes in food security indicators across the region.⁶

The main challenge is in Eastern Ukraine, where disruptions of supply and production mean that food security is a significant problem. Food reserves of these areas are fully depleted, and infrastructure is partly destroyed. Furthermore, record prices of wheat products, as well as destroyed transportation routes and city markets leads to an increasingly difficult food security situation.⁷

Human security

Insecurity against violence and coercion

There have been relatively high levels of violence, and threats of violence, in Ukraine, other EaP countries and Russia over the last 25 years. This is manifest in violent crime and coercion in domestic and public settings, as well as intra-and inter-community violence and insecurity. Several factors contribute to this situation, including inadequate security and justice sector reforms to provide accountable policing and access to justice to ordinary citizens and vulnerable communities; corrupt links between organised crime and officials, enabling criminal acts and extortion with relative impunity; inadequate action to prevent or combat intimidation of the vulnerable or local minority or opposition groups ; and inadequate action against sexual and gender-based violence. In this context, sexual and gender-based violence remain widespread; and in need of continued attention.

² Focus Economics, 'Economic Snapshot for Eastern Europe', 05/11/2014 <http://www.focus-economics.com/regions/eastern-europe> (20/11/2014)

³ Ibid

⁴ A number of factors (sanctions and oil price) have been behind the steep fall in the rouble, which is now worth 40% less against the US dollar than end of 2014. Regional Economic Prospects in, EBRD Countries of Operations: September 2014, <http://www.ebrd.com/downloads/research/REP/rep-2014.pdf>

⁵ <http://www.fao.org/giews/countrybrief/country.jsp?code=UKR>

⁶ According to the Economist Intelligence Unit, 'although political turbulence in Ukraine has begun to impact global food prices, it has yet to have a substantial impact on the structural aspects of global food security.' (<http://foodsecurityindex.eiu.com/Home/DownloadResource?fileName=EIU%20Global%20Food%20Security%20Index%20-%202014%20Findings%20%26%20Methodology.pdf>)

⁷ <http://www.fao.org/giews/countrybrief/country.jsp?code=UKR>

Such human insecurity against violence and coercion was both manifest and exacerbated in the Ukrainian crises and conflicts of 2014. It has been, and remains, particularly severe in Crimea and in actual and potentially contested areas of Eastern Ukraine. There has been wide intimidation and violence perpetrated by allies of rebel groups, for example in the context of the various contested referenda for secession; and this is increasingly reciprocated by Ukrainian 'loyalists'. In this context, non-political criminal violence is being perpetrated with relative impunity. Other areas of EaP share similar characteristics, often associated with so-called 'frozen conflict' contexts but also more widely across society. Trends vary according to local context, and not all are negative. But in Russia increased authoritarianism has been associated with wider official tolerance of use of violence, within core Russian areas as well as in minority areas such as in the North Caucasus (where extreme violence has been widespread for some time). In relation to sexual and gender-based violence, recent trends have included increased impunity for those perpetrating violence against LGBTB communities.

Strains in existing societal divisions and instability perpetuated by 'protracted conflicts':

Several of the EaP countries have severe existing societal divisions along ethnic, linguistic and secessionist lines, which have become strained as public opinion has further polarised over the Ukraine conflict and the perceived need to choose between Russian or European orientation. Minorities (e.g. in Transnistria, Gagauzia, South Ossetia, Abkhazia) favour a pro-Russia course, viewing events in Crimea and Eastern Ukraine as an opportunity to advance their own secessionist agendas and gain increased support from Russia. There is potential for serious insecurity, particularly if Russia uses its leverage in these regions to manipulate societal divides in order to advance its aims.⁸ The reach of Russian media plays an important role here (see below).

Threats to external security and fears over internal security:

The hybrid warfare model⁹ used in Ukraine has raised fears in the EaP region over direct and indirect Russian aggression in pursuit of its aims in the region, both among those states which are friendly with Moscow and those which are more pro-EU. Events have pushed national security to the top of the six governments' priority lists, each having to reconsider where they stand.¹⁰ The long-term problems with security providers in the EaP region - known to be corrupt, ineffective and undemocratic - suggest that men and women in EaP are unlikely to be, or feel, safe and protected at a time when security provision requires extra sensitivity (e.g. during protests, heightened societal divisions etc). In addition, reported penetration of the Ukrainian security services by Russian agents puts extra pressure on police services with already low ethical and professional standards.¹¹

Energy security threatened

The Ukraine crisis has highlighted once again how dependent the EaP region is on Russian energy and how vulnerable this makes the men and women of the region to sudden price rises

⁸ Russia can use its leverage to hinder further EU integration as a) Russian citizens in these areas provide Russia with reason to 'protect' these areas b) Russia's security and economic patronage ensure ongoing influence in these areas, c) these areas can inhibit EaP countries ability to coherently implement reforms focused on EU integration.

⁹ <https://iwpr.net/global-voices/russias-hybrid-war-ukraine> (11/11/2014)

¹⁰ While Armenia, Azerbaijan and Belarus are maneuvering carefully in order to avoid dominance by Moscow, external security in the form of NATO membership is high on the agenda of Ukraine and Georgia (and partnership for Moldova).

¹¹ Natalia Mirimanova, Peacebuilding in Ukraine: What Role for the EU?, http://www.eplo.org/assets/files/2.%20Activities/Civil%20Society%20Dialogue%20Network/Discussion%20Papers/EPLO_CSDN_Discussion_Paper_Peacebuilding%20in%20Ukraine_What%20role_for_the_EU.pdf

and to the possibility of lack of heating and fuel in winter.¹² While the joint EU-Ukrainian negotiations with Russia have averted crisis this winter, the situation has served as an acute reminder for EaP states of the need for careful management of relations with Russia in this sphere.

During 2014, the Russian government has been framing energy as the basis for new ‘pragmatic’ relations with Ukraine (see for example, Prime Minister Medvedev statement (<http://government.ru/en/news/16118/>)). Although this might ultimately provide a framework for progress on co-operation, for the foreseeable future the Russian government can be expected to continue to try to use access to Russian gas supplies as political leverage in Ukraine and elsewhere in EaP. The decline in global oil and gas prices since the summer of 2014 is clearly a significant and potentially constraining factor. In an increasingly buyer’s market, energy security vulnerabilities of EU states to Russian pressure have at least temporarily reduced. But gas pipeline distribution infrastructure remain major enduring features, and enable enduring levers of political pressure.

Prospects for democracy

Security prioritised over democracy: Commentators note that there is a risk of the ‘West’ prioritising stability over democracy and becoming less stringent over its terms of engagement with the EaP states.¹³ For example, observers have noted a further decrease in the space for independent civil society activism in both Azerbaijan and Belarus since the Ukraine crisis. There is a distinct sense in Azerbaijan that events in Ukraine have been used as a smokescreen for a crackdown on civil society.

Russian media discrediting ‘Western values’: Russia has mobilised its vast media machine to influence public opinion in the EaP region. As noted above, opinion remains polarised. However, the Russian government and its powerful controlled media has sought to discredit democratic values by casting them as alien and self-serving (see below), with substantial success in Russia and parts of the EaP.¹⁴

1.3 Consequences of the conflict for the men and women of Russia

Authoritarianism strengthened

Rejection of ‘Western values’: Perceptions and appeal of European values among the Russian population have hit an all-time low since the Ukraine conflict. Amongst substantial sections of the Russian and EaP populations and elites, the EU is perceived as weak and hypocritical (with regard to the protection of minorities, for example). The official Russian narrative of the conflict accuses the West of promoting Western values in order to depose uncooperative leaders in Russia’s neighbourhood to access to Russia’s vast energy reserves.¹⁵ The narrative suggests that these values are alien to Russia, which is developing its own ‘neither Eastern nor Western’ (authoritarian) model of governance - ‘authoritarian capitalism’. This narrative appears to resonate with substantial sections of the Russian population and matches a mood

¹² <http://www.dnaindia.com/world/report-central-east-europe-fear-gas-shortage-due-to-ukraine-russia-price-row-2000648>

¹³ Europe Policy Paper 3/2014, ‘Regional Repercussions of the Ukraine Crisis, Challenges for the Six Eastern Partnership Countries’, Ed. Alina Inayeh, Daniela Shwarzer and Joerg Forbrig. http://www.gmfus.org/wp-content/blogs.dir/1/files/mf/1404920650Inayeh_UkraineCrisisRegionalOutlook_Jun14_web.pdf (28/10/2014)

¹⁴ http://www.stratcomcoe.org/~media/SCCE/NATO_PETIJUMS_PUBLISKS_29_10.ashx (1/12/2014)

¹⁵ <http://www.theguardian.com/world/2014/oct/24/sp-ukraine-russia-cold-war> (3/11/2014)

of growing nationalism and influence of the Orthodox Church. This has its resonance also into parts of the EaP region.¹⁶

Popularity of President Putin has apparently soared within Russia:

According to opinion poll data, Putin's domestic popularity has soared since the Ukraine crisis (currently at 74%)¹⁷. Levada Centre polling shows that increasing numbers of Russians see Russia as being 'on the right track' (59% in November 2014; compared to 40% in November 2013)¹⁸, and generally the population seems to be becoming more satisfied with the current state of affairs. In an increasingly authoritarian atmosphere, such data should not perhaps be taken entirely at face value. There are certainly many dissenting voices, and popular support in Russia for Putin's assertive policies in the Ukraine and elsewhere may well prove fragile in the context of economic recession. But in the short and medium-term, generating domestic political support is likely to continue to be an incentive for President Putin to continue with political and military assertiveness in Ukraine and elsewhere in the EaP and 'near abroad'.

Crackdown on independent media and activation of state propaganda machine:

The 'information war' between Europe and Russia has played a significant role during the Ukraine conflict. The Kremlin's tactics have included shutting down independent press, spreading half-truths and rumours and promoting conspiracy theories.¹⁹ The majority of the population, 90% of which accesses news via state-owned and affiliated channels,²⁰ supports what the state is doing in Ukraine (to protect Russian minorities) and approves of the annexation of Crimea.²¹

Repression of opposition and civil society space intensified:

In a continuum of policy since 2012, Putin has intensified the domestic crackdown on civil society since the annexation of Crimea. Draconian new legislation in numerous areas, ranging from Russia's cultural policies to expanded control over the Internet, poses grave new challenges to Russian civil society.²² Russian NGOs report that it is very difficult for them to reach broad segments of the population, with a dominant political culture of accepting a relatively submissive and paternalistic relationship with the state. Political opposition is increasingly hard to mobilise, in the context of increased repression against Russians seeking the active exercise of their rights as citizens.²³

Economic decline

Painful downward spiral for Russian economy: Russia's support of the separatists in eastern Ukraine has increased the country's political isolation from at least OECD countries; burdened the economy with painful sanctions, eroded investor confidence, triggered massive capital outflows, weakened the rouble, fanned inflation, and forced the Russian Central Bank to hike interest rates to combat inflation and stem the slide of the currency. Each of these

¹⁶ Putin's claim that Crimea held sacred importance for Russians in his recent State of the Nation speech is an example of the type of nationalism-evoking rhetoric which is used to gain support among the population.

¹⁷ <http://www.levada.ru/03-12-2014/otnoshenie-k-vladimiru-putinu> (02/12/2014)

¹⁸ At the beginning of August, there was a peak in these figures, with 66% of respondents believing Russia is 'on the right track.' This number has been decreasing by approximately 1% each month. <http://www.levada.ru/26-11-2014/noyabrskie-reitingi-odobreniya-i-doveriya> (3/11/2014)

¹⁹ <http://www.theguardian.com/world/2014/mar/17/crimea-crisis-russia-propaganda-media> (12/11/2014)

²⁰ <http://www.theguardian.com/world/2014/jul/30/mh17-vast-majority-russians-believe-ukraine-downed-plane-poll> (3/11/2014)

²¹ <http://www.levada.ru/05-11-2014/ukrainskii-krizis-politika-rossii-otvetstvennost-i-peremirie> (24/11/2014)

²² <http://globalvoicesonline.org/2014/04/30/the-kremlins-internet-annexation/>

²³ http://www.foreignpolicy.com/articles/2014/05/09/putins_assault_on_civil_society_continues (12/11/2014)

factors in isolation bears the potential to curb economic growth. Combined, these factors threaten to reinforce decline of the Russian economy into a serious economic recession.²⁴

EU and USA sanctions expose Russia's oil-dependent economy's vulnerability: Although not linked to the conflict or EU sanctions (despite Russian conspiracy claims²⁵), the decline in global oil prices on Russia's oil-dependent economy has compounded the economic decline by making the government's finances extremely vulnerable in the medium term (in the short term, the Russian state has substantial financial reserves). EU and USA sanctions are however resulting in the withdrawal of Western oil companies, equipment and technical expertise needed for Russia to maintain current oil production and explore new oil fields, which could lead to a major decline in oil production and the government potentially using the National Wealth Fund (designed for state pensions) to make up the shortfall.²⁶

Part 2: Implications and issues raised by the conflict context for Sida's Results Strategy for EaP and Russia

This section examines Sida's Results Strategies for the EaP region and Russia in light of the current conflict context, as set out above. It briefly analyses Sida's Results Strategy and implementation plans (where available to the Helpdesk), identifying areas of the strategy that need to be reviewed in light of increased challenges to achieving results arising from the Ukraine conflicts and from a conflict prevention perspective. It similarly identifies potential trans-boundary/regional peace and conflict issues for Sida to address; and options for conflict prevention activities and partnerships.

Sida's Results Strategy for the EaP region aims to forge closer ties between EaP countries and the EU by supporting the economic and democratic transition of these countries. This policy is viewed as hostile by the Russian government, which has sought to counter progress made in this direction. Disagreement over the orientation of EaP countries is thus a root cause of conflict in the region and should be understood as such when developing policy and programmes there.

Given that genuine democratic development constitutes a long term factor of stability (see below), we assume that there will be no fundamental change in Sweden's, and Sida's, strategic position and aims in the EaP area. At the same time, understanding perspectives of conflicting parties is essential. While it may be difficult to accommodate Russian government perspectives given its increasingly strong political opposition to democratic and economic development in these countries, regular analysis of perspectives is essential for identifying where there may be areas of at least limited common interest, providing scope for some cooperation or compromise.

It is particularly important to ensure up-to-date understanding of the patterns of concern and opinion across society – including pro-Russian and pro-European positions - within each EaP country, including respective grievances and interests. Engaging with these positions may offer opportunities for confidence-building and cooperation; while failing to acknowledge and respond to concerns or pro-Russian interests risks increasing vulnerabilities to instability.

²⁴ <http://www.focus-economics.com/regions/eastern-europe> (24/11/2014)

²⁵ Reuters, 'Saudi oil policy uncertainty unleashes the conspiracy theorists,' <http://www.reuters.com/article/2014/11/18/opec-idUSL6N0T73VG20141118> (21/11/14)

²⁶ <http://www.ft.com/cms/s/2/fc354a6a-5dcb-11e4-b7a2-00144feabdc0.html#axzz3K50nEv7i> (24/11/2014)

There is a widespread perception in the region that the conflict is ‘above’ the men and women in the EaP region and can only be fought out by the governments and ‘power elites’ of Russia and ‘the West’. While geopolitical interests are unlikely to shift significantly and will continue to have an impact locally, it is important from a conflict prevention perspective to raise awareness of local people’s agency and their ability to influence their local environment, by identifying pragmatic areas where local people can be involved in building trust and responding to the conflict.

2.1: Issues specific to Sida’s EaP results strategy:

Result area one: Enhanced economic integration with the EU and development of market economy

Across all EaP countries, the impact of the Ukraine crisis is likely to impact on citizens’ living standards, as trade, investment and remittances decrease in the face of a weakened Russian economy. There is also a risk of Russia applying further trade embargoes on exports from EaP countries as a means of political leverage. Supporting economic growth in EaP countries, including through diversifying sources of income, is therefore important to ensure the economic security of populations in EaP countries. The Sida Results Strategy prioritises supporting economic integration with Europe in all EaP countries as a means of increasing economic prosperity, meaning success in this sphere is dependent on maintaining support for European integration in an increasingly challenging environment, as well as minimising tensions with Russia while doing so.

Deterioration in the economic situation of EaP countries will place greater pressure on Sida and its partners to demonstrate the benefits of European integration (both economic and values-based). This is particularly the case in Georgia, Moldova and Ukraine. Even having chosen the ‘European path’ by ratifying Association Agreements (AA), there is a risk that governments will lose momentum for reform when improvements are not felt relatively quickly, and as the population feels the pains of reform, creating opportunities for fanning resentment towards the EU.²⁷

This risk is accentuated by zero-sum attitudes in the region, whereby economic integration with the EU is presented as an either-or situation, in which Eastern Partnership countries must choose between ties with the EU or the Eurasian Union/Customs Union. Given all six EaP countries have important economic ties with Russia, arguments for maintaining ties with Russia over the EU appear strong in subnational areas of EaP countries. If Sida remains committed to supporting economic integration with the EU, it will need to focus on increasing public support for this, and demonstrating that this does not necessarily imply substantially reduced economic relations with Russia. Armenia could be explored as a test case for trying to eschew a zero-sum course of geopolitical projects and instead seek to demonstrate possible win-win approaches to economic integration for Russia, the EU and Armenia. If such an opportunity arises, this could serve as a valuable example for the rest of the EaP region. In any case, it is important for European actors to actively try to avoid superimpose yet another dividing line on a context such as the South Caucasus, where barriers to trade and integration are already numerous.

²⁷ The recent election results in Moldova, where the pro-Europeans won a narrow victory, demonstrate the vulnerability of the path to Europe.

Sida may therefore want to explore how it can support efforts to generate well-informed public discussion on benefits vs. costs of increasing access to the European market, as well as challenging the increasingly zero-sum rhetoric about trading with both Russia and the EU. The EU argues that Eastern Partnership countries entering into AAs/DCFTAs with the EU would still be free to trade equally with Russia (although Russia has threatened further sanctions and embargos if there are further steps towards integration), so it would be useful to facilitate public and academic debate to clarify the legal and practical aspects of this. The support Sida is currently providing to the FREE network would be one of several possible entry points for this.

Second, in addition to Sida's longer term focus on supporting adaptation of government and business actors to the European market, it may be beneficial to focus on quick wins, which demonstrate the benefits of European partnership. For example, this could be through small grants programmes, supporting innovation and entrepreneurship. In supporting SMEs or other income-generating programmes, it will be important to take a conflict-sensitive approach, to ensure that certain regions within countries are not seen as privileged over others.²⁸ Programmes should target different societal groups, including less-educated groups and population areas where there are substantial sympathies for Russia, with fewer links with European institutions through other programmes (e.g. educational, cultural) and may be more sceptical about European engagement. This could help to generate support for European integration, and create a platform for discussion on more values-based issues, especially if coupled with work on rule of law and anti-corruption as a means of improving investment climate.

There is certainly a case for Sida to support regional programmes focusing on the issues above, since the economies of all EaP countries (with the possible exception of Azerbaijan) are likely to be affected by the crisis, and will face similar challenges protecting themselves from risk related to close ties with the Russian economy. Moreover, economic benefit is a strong argument for European integration in all these countries, and there may be scope for regional dialogue on advantages and disadvantages of freer trade across the European continent. In terms of conflict prevention, business partnerships have proven a good tool for increasing trust between conflicting parties in the Caucasus;²⁹ accordingly, it may be interesting to support regional projects as a confidence-building measure, supporting small business owners from EaP countries and Russia to develop their products, and facilitating networks for them to trade with one and other.

Result area two: Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law

From a conflict prevention perspective, democratic governance is an important factor in the development of peaceful societies in which grievances can be expressed and addressed through non-violent means. Under the current circumstances, when violence threatens the EaP region and democratic paths are in question, this result area deserves special attention. At the same time, the conflict brings into renewed focus a need to analyses to understand why

²⁸ The only English language project documentation made available to the Helpdesk with details of economic empowerment support is the EBRD women's economic entrepreneurship programme, which may only have limited relevant in this context. However, Sida officials may be aware of other existing programmes that offer entry points on this issue.

²⁹ See details about the Caucasus Business and Development Network, which engages economic actors from across the region in initiatives that promote peace and cooperation. <http://caucasusbusiness.net/>

the West's 'democratisation project' in the post-Soviet space has often failed to root democratic reforms over the last 25 years. What lessons need to be learnt and what needs to be changed now that the task of promoting democracy will be made even more difficult with Russia looking to disrupt reform processes and turn EaP populations and governments away from European democratic values and institutions?

Strengthened public administration and judicial systems are certainly a priority for support in Ukraine, Moldova and Georgia, where serious commitments have been made to reform. In Armenia, Azerbaijan and Belarus, donors need to ask themselves whether continued support for institutional reform which has thus far achieved very little change in the eyes of citizens might in fact be discrediting the concept of western support for democratisation.

If the momentum for reform continues in Ukraine and the government receives the external support it needs to implement substantial reforms for which there is now mobilised public support, the Ukraine experience could serve as an important example for the whole region. At least in the medium term, Ukraine has the potential to show Russia and its EaP neighbours that a democratic state with a market economy is the type of governance system that gives citizens what they want: freedom from corruption, access to services and economic development.³⁰ However, rapid progress on reform will remain challenging in Ukraine, thus highlighting the need to identify ways of building confidence in the possibility of progress, including demonstration projects. If multilateral donors focus on Ukraine, Sida's regional funds could add value by providing opportunities for state and civil society representatives from other EaPs (including civil society representatives from Belarus, Azerbaijan and Armenia) to witness and participate directly in the reform process, enabling them to export experience and lessons learnt to their own contexts.

Civil society is referred to in Sida's strategy as a "catalyst for democratic development" in EaP countries and civil society is identified as a target of support. Any programme to support civil society in the current context should consider the polarisation of opinions about the EU and Russia across the EaP region and the widely propagated Russian narrative of Western governments supporting and financing civil society activities to overthrow non-friendly governments in the region. A conflict-sensitive approach requires that donors ensure their support is well distributed to a range of civil society activists with different constituencies and agendas - urban/rural, majority/minority groups, pro-Russian and pro-EU - and that support provided stimulates vibrant debate and builds social trust within the EaP region. Debate is essential, both to foster the kind of citizen participation required for a democratic system of governance, and to address polarised societal divisions, emerging since the Ukraine crisis. Despite disagreement within society over the causes of problems and paths for addressing them, there are likely to be points of convergence communities' most pressing concerns and grievances (e.g. corruption, lack of accountability etc.)³¹ If such issues of common concern can be identified, there are grounds for more constructive discussions about how to address them.

The conflict in Ukraine has also highlighted the need for donors to consider *which kind or aspects* of civil society it is most beneficial to empower in the region. Historical focus on support for professional and well-established NGOs remains justified and understandable, but

³⁰ <http://carnegieeurope.eu/strategieurope/?fa=57031> (5/11/2014)

³¹ During a recent visit to Ukraine, Saferworld staff met with activists from pro-Ukrainian unity and pro-Federalist groups; although neither group was prepared to acknowledge any areas of commonality, it was clear that they shared many grievances, particularly related to corruption and lack of state responsiveness to their needs.

the relatively exclusive focus on these has come into question in analyses of the most active and mobilising sections of society.³² The mention of Sida's ability to provide support "outside the customary forms in the strategy" suggests that Sida could be well placed to support the kinds of non-conventional actors which have become active recently (citizen networks, social media groups, youth groups, student associations, universities, intellectual circles, schools, religious organisations that pursue charitable and community goals etc.) across the EaP region.

As further measures to build civic activism outside the parameters of the professional NGO-cracy and revitalise civil society in the EaP region, Sida could consider supporting its NGO partners to create independent boards involving the private sector and expand their membership, thus building its connections to the world outside the civil society sector. Sida could for example support its NGO partners to shift their outlook from one limited to HR monitoring to include economic justice, access to services and consumer protection – not stepping in to provide services, but demanding better services of the state – and thus connecting with the issues identified locally as priorities: inequality, education, access to public utilities and poor delivery of public services. Sida may also wish to consider involving international grassroots activists, creating more national and international networks to stimulate new patterns of social behaviour.³³

Reform processes in Ukraine are likely to remain challenging even in the context of stronger national government support. In this context, strategies for phasing and prioritisation of support need to be carefully reviewed and updated. This could usefully include reconsideration of support for aspects of Security and Justice Sector reform, such as policing services and access to justice.

In addition to strengthening specific aspects of the law enforcement chain already identified in Sida's results strategy,³⁴ the Ukraine crisis has demonstrated and accentuated the need for wide-reaching reform of the criminal justice sector within EaP countries. Increasing citizen's perceptions of internal security (particularly as the external security environment deteriorates), and ensuring security services are capable of managing increased tensions within society are essential, both in terms of conflict-prevention and for guaranteeing citizens' right to peaceful freedom of assembly and speech.

With the exception (to some extent) of Georgia, EaP states have made little progress in reforming and transforming their corrupt, ineffective and undemocratic policing and security providers;³⁵ and common obstacles to democratic security sector reform across the EaP region could serve as an entry point for regional support. In particular, reluctance among EaP governments to involve civil society in discussions about the security sector and weak civil society experience working on what they perceive to be 'hard security'³⁶ are present in all EaP countries. Support to civil society in this area may complement existing efforts, by helping to generate political will for security sector reform in the EaP region. Again, a regional programme would also allow any progress made in Ukraine, as this area receives

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http://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Russia%20and%20Eurasia/0113bp_lutsevych.pdf (18/11/2014)

³³ Ibid

³⁴ Investigation, prosecution and enforcement of sentences, particularly gender-based violence, hate crimes and human trafficking

³⁵ <http://blogs.euobserver.com/popescu/2014/10/13/enp-after-ukraine/> (28/10/2014)

³⁶ http://fride.org/download/PB_154_Levers_for_change.pdf (24/11/2014)

additional attention through the appointment of an EU Advisory Mission on police reform, to be shared across the EaP region, thereby providing impetus for change elsewhere.

The Ukraine conflict has reframed the protracted conflicts of the EaP region as issues of vital strategic interest for Europe and should trigger renewed interest and efforts to reach peaceful agreements. This urgently requires up-dated reviews of possibilities, based on realistic understanding of the current context and constraints as well as of opportunities.

Sida's regional operationalisation notes suggest that Sida may consider undertaking a regional conflict analysis to identify regional entry points. It is recommended that this plan is followed through with an emphasis on *participatory* processes, which in itself would contribute to regional peacebuilding aims (by encouraging debate). Such projects are regularly undertaken by joint teams of international and local civil society groups and have the potential to generate the kinds of ideas and impetus which are currently lacking. In addition, Sida may wish to include in its analysis a lessons learning component on work done to date on protracted conflicts in the region.

The Results Strategy rightly identifies the need for trust-building between parties in the protracted conflicts as a priority for funding in the EaP region. However, this strategy may need to be re-evaluated to account for the intensification in Russia's role in the conflicts and apparent interest in sustaining and fuelling them to maintain leverage across the EaPs and EU. It should be recognised that Russia sets the terms for all dialogue across divides and remains the single most effective force for peace or conflict and, if Russia's interest is for the conflicts to continue, this is what will happen. The West and its institutions lag far behind in influence and trust among the conflicting parties and populations, increasingly so since the Ukraine conflict. There is therefore a need not only to build confidence between conflicting parties, but also in the parties hoping to mediate between the conflicting parties. This is likely to include continued support for civil society in these areas, providing tangible benefits for communities living there (for example in the educational, cultural or economic spheres).

Russia's strong media and political influence in the protracted conflicts areas, particularly Abkhazia, South Ossetia and Transnistria, has impacted attitudes towards the Ukraine crisis and towards Western values more broadly, at both a societal level and on the actions of de facto governance systems. While there may be resistance in Tbilisi and Chisinau to perceived state-building in these areas, measures to ensure tolerant, inclusive governance in the self-proclaimed republics are much needed, to counter these areas' increasing departure from the European values Sida is promoting in the EaP region. Work in this area would require governance interventions promoting transparent, inclusive governance within the self-declared republics, as well as engagement with government and society in Moldova- and Georgia-proper on why good governance in these areas is in their longer-term interests, as it prevents a further distancing between them.

Result area three: A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

With the exception of supporting renewable energy (see below), this result area may offer opportunities for wider regional cooperation on issues not traditionally perceived as falling within the sphere of competition between the EU and Russia. Sida may wish to explore whether its regional programmes on environment and climate change are able to reach out to Russian stakeholders, as an example area where cooperation between all regional actors - EU,

EaP countries and Russia - can be beneficial (and not a zero-sum game). Furthermore, programmes supporting civil society engagement on environmental issues may provide an opportunity to demonstrate the benefits of civil society-state cooperation and generally increase the potential of citizen participation, thus simultaneously promoting democratic development and European values. Opportunities here are obviously highly politically constrained. In terms of risks associated with the current conflict, Russian propaganda about the conflict being about the West's interest in Russia's energy reserves (hydrocarbons) may create an additional challenge for promoting sustainable energy, green business and climate change issues in EaPs. However, a demonstrated commitment to these policies by actors such as Sida could also help to counter this propaganda.

2.2: Issues specific to Sida's Russia Results Strategy:

Result area one: Increased respect for human rights and strengthened democratic development and accountability

Despite the likelihood of increased constraints on civil society, and the unlikelihood of significant shifts in Russian elite attitudes to democracy promotion while Putin and his political allies remain in power, we believe that support for inclusive decision-making and fair governance processes should remain an important area of support for Sida – taking opportunities when identified. Constituencies remain within Russia that are supportive of democracy, which Sida can look to support, obviously taking care to mitigate risks of increasing the vulnerability of such groups to marginalisation or repression.

In reviewing its strategy in light of the current context, we assume that Sida recognises that additional constraints on civil society and other actors operating in Russia and mistrust towards foreign donors create increased risk for Sida and partners, both in terms of pressure on those operating there; and greater obstacles to achieving results and adjustments to the approach will need to be made accordingly. This section therefore focuses on implications for Sida, in terms of rendering democracy attractive to Russians and supporting civil society and media partners and initiatives so as to minimise risk.

In order to increase the chances of success of democracy promotion, Sida and its partners need to seek opportunities to demonstrate the value of democracy to Russian society and build trust in this concept. Despite the Russian elite's hostility towards European values (including 'European-style democracy'), some support remains for the idea of democracy at the societal level. A poll conducted by the Levada Centre in October 2014 found that 62% of Russians believe that Russia needs democracy, although only 13% believe that Russia needs a democracy based on that seen in Europe and the US (decrease from 26% in 2013), while 55% think Russia needs a particular type of democracy that corresponds to the national traditions and specifics of Russia (increase from 34% in 2013).³⁷ This provides an entry point for debate on what democracy promotion actually means, including breaking it down into understandable activities and principles, in order to try and build public understanding of how democratic changes and support for human rights can bring tangible benefits for Russian society. This is likely to include a focus on more pragmatic issues, such as improving the rule of law, increasing transparency and countering corruption, and linking this to improvements the business climate, which should lead to greater benefits for society. It may even be worth

³⁷ Levada Centre, Nuzhen li Rossiya demokratiya? (Does Russia need democracy?), <http://www.levada.ru/28-10-2014/nuzhna-li-rossii-demokratiya> (28/10/2014)

considering adding into the portfolio support for income-generating activities, which could be tied to work on anti-corruption measures, as a means of promoting support for this approach and demonstrating tangible benefits of rules-based approaches.

Sida's Russia Results Strategy identifies civil society as essential for ensuring citizen involvement in community development. However Sida's existing and potential civil society partners face a number of challenges, accentuated by the Ukraine crisis, related to how they are perceived and the constraints this puts on their ability to build relations and influence others. To overcome this, a number of issues could be considered:

Supporting the emergence of independent, sustainable NGOs: An increasingly hostile environment for Western values, combined with amendments to the NGO law³⁸, creates additional challenges for CSOs receiving foreign funding: namely, de-legitimisation in the eyes of the population, and increased difficulties building partnerships with State actors to work on reform. Moreover, at a higher political level, ongoing foreign funding of Russian CSOs is likely to exacerbate tensions between Russia and donor countries. Accordingly, there is a strong argument for supporting CSOs to generate their own income, creating a civil society cadre that is reliant on neither the West nor the Russian government³⁹ for financing. The Sida strategy refers to improving self-financing of CSOs. This, as well as supporting CSOs to identify alternative donors within Russia, needs to remain a priority in terms of preserving an independent civil society, perceived as neutral and trusted by the population, and supporting more sustainable democracy and human rights promotion in Russia.

Enhancing outreach capacity: As noted above, civil society organisations are likely to meet an increasingly hostile environment in promoting their ideas. In order to challenge misconceptions about what democracy means within Russia, and build support for alternative points of view, civil society will need to enhance its outreach and public communication strategies. This is particularly relevant given that alternative voices will be confronting civil society opinion formers (both in the media and groups such as *Nashi*), with access to far greater funding and more developed approaches to grassroots mobilisation. Therefore, when developing civil society capacity, Sida may need to lay greater emphasis on developing outreach and communication skills, in addition to other forms of thematic and institutional development. Sida will need to provide additional support to smaller, independent NGOs, and support them to develop their outreach capacities, as well as thematic and institutional capacities, as identified in the Results Strategy.

Diversifying types of partners: A further method for increasing partners' impact and reducing risk placed on them, is to develop relationships with actors whom it is harder to label as foreign agents. This could include more disparate groups of civil society activists, working together through virtual networks; academic institutions; and professional bodies. Similarly, Sida may wish to consider providing more flexible, core support to movements or groups which may not be well established and be able to commit to the usual donor reporting commitments. That said, it is essential to maintain transparency about funding in order not to provoke more suspicion about 'foreign agents'.

³⁸ In June 2014, Putin signed an amendment to the NGO law, allowing the Justice Ministry to register NGOs receiving foreign funding and 'engaged in political activity' as foreign agents, without their involvement - resulting in an increase in organisations registered as such.

³⁹ While the Russian government has increased funding for Russian CSOs; it is important to preserve the independence of CSOs and prevent them becoming an extension of the state, or restricted to delivering social services.

The Results Strategy identifies choosing appropriate types of initiative as a form of risk management. In the currently hostile environment, the choice of initiative can also play a significant role in increasing the chances of having any impact at all. Sida should consider which types of initiatives are likely to gain most traction in this context and which are likely to attract more suspicion and risk for local partners. For example, one strategy to counter resistance to work in this Result Area, might be to ensure that programming includes significant government involvement (at either a central or local level) so that it is seen as a cooperative approach, rather than something confrontational.

Finally the strategy recommends supporting independent media; given the importance the state propaganda machine has played in exacerbating tensions over the Ukraine conflict, this remains essential and may be worthy of additional attention. In terms of conflict prevention, there may be opportunities to use new and independent media channels to expose the Russian population to other perspectives on the causes and effects of the Ukraine crisis (not necessarily pro-Ukrainian unity/pro-European) and using this as a basis for debate within society.

Result area two: Improved environment and reduced climate impact in the Baltic Sea Region.

It is unclear as yet to what extent Baltic Sea cooperation has been affected by the general decrease in ability and willingness for global collective action/cooperation resulting from the Ukraine crisis. There appears to be a level of pragmatism among Nordic actors, which suggests that cooperation on environmental issues with Russia can continue from their perspective.⁴⁰ Indeed, it is possible that this Result Area will prove to be neutral enough to demonstrate how a cooperative approach can lead to mutually beneficial outcomes (as opposed to a zero-sum approach) and can thus be used to make inroads into overcoming entrenched positions.

If opportunities arise, these should be used to foster cooperation and debate both between state institutions and civil society, with a particular emphasis on analysing regional interdependence and mutually beneficial solutions. That said, there is a risk that the cooperation with Russia on environmental issues is undermined somewhat by Russia's narrative about the cause of conflict being Western interest in its energy reserves. In addition, Sida should consider whether civil society support in this area exposes its partners to similar risks as described above and provide support to overcome them.

⁴⁰ <http://www.norden.org/en/news-and-events/news/baltic-parliamentary-summit-discusses-ukraine> (24/11/2014)

Part 3: Suggestions and Conclusions

This section draws some general conclusions, before identifying issues for attention and/or review and making suggestions under each results area, corresponding to the needs identified in this analysis to (a) respond to new regional risks related to the conflict; (b) ensure conflict-sensitivity of interventions; and (c) create opportunities for confidence-building and conflict-prevention.

3.1. Some General Conclusions

Although many of the factors that led to the eruption of violence in Ukraine were part of longer term developments in the region and are therefore largely reflected in Sida's Results Strategy, it is important to note that conflict contexts can change rapidly. It is therefore welcome that Sida staff are stepping back from daily programming tasks on a regular basis to review. It is important in this context to analyse the context using a conflict lens to ensure that the principles of 1) understanding the context in which the organisation operates; 2) understanding the interaction between its intervention and that context; and 3) acting upon this understanding in order to minimise negative impacts and maximise positive impacts on conflict are fully incorporated into its developing portfolio. This analysis should include a political-economy review of Russia's position, as it is also important from a conflict sensitivity perspective, to ensure that Sida staff are aware of how the EU and Sida are perceived in EaP countries and Russia, with many citizens in Eastern Europe viewing the European integration agenda as a key driver of conflict (whether they support that integration or not).

In light of the effective penetration and use of Russian government propaganda on the conflict and the increasing polarisation of opinions, Sida may wish to make 'civil society debate' a cross-cutting theme for its portfolio and make use of any opportunity to expose the men and women of the EaP and Russian region to a range of diverse opinions and to enable them to develop a sense of agency in their situation.

Finally, when developing regional projects across the EaP region, opportunities should be considered for including Russia as a means of building trust and contacts across the region; possible areas for this include the environment, which is not traditionally perceived as a sphere of competition in the region; and local-level income generating projects, which can develop business contacts across conflict divides.

3.2. Conclusions relevant to Eastern Partnership Results Strategy

In this sub-section, we highlight a few of the findings and suggestions emerging in Section 2 above.

To ensure the conflict sensitivity of interventions in EaP countries, it is suggested that Sida conducts a participatory analysis and/or mapping of attitudes towards its key result areas among pro-Russian and pro-European constituencies within EaP countries. This information should underpin all three results areas, allowing Sida to engage with the full spectrum of attitudes, identify areas of common interest between different groups and ensure that public debate on costs and benefits of European integration includes a range of voices.

Result area one: enhanced economic integration

- The success of this result area will be contingent on public support across the EaP for European integration, despite the challenges and disruptions of associated reform processes. Accordingly, Sida may wish to develop programming increasing awareness and understanding of what European economic integration entails; for example through public and academic discussion on the costs and benefits of increasing access to the EU market and the feasibility of integration with EU and Russian markets. Dialogue work could be complemented by income generating projects that demonstrate the tangible benefits of economic reform.
- In order to ensure conflict sensitivity, Sida could usefully review existing initiatives to facilitate enterprise and entrepreneurship and supporting SMEs (as well as any new projects) to ensure they target all societal groups, including pro-Russian or other marginalised groups.
- Supporting regional business partnerships, if possible including Russia, could provide an opportunity for building trust and confidence across borders.

Result area two: strengthened democracy and human rights

- If the reform process takes off in Ukraine, it might be possible to amplify its effects in the region by providing opportunities for civil society and state representatives from the EaP region to participate from an early stage to learn lessons and provide impetus for reform elsewhere.
- In order to ensure conflict sensitivity, Sida could usefully review existing (and future) civil society partners in relation to the extent to which they reflect and represent a range of different perspectives. In order to increase effectiveness, Sida should consider increasing support to non-traditional civil society groups. This will require careful managing and oversight, at least initially, including some reviews of funding procedures.
- There is an increased need to improve security (policing) and access to justice provision for people and communities in the EaP region in light of diminished external security. A priority is to support reforms to promote and ensure that police become effective service providers, and more specifically are able to effectively ensure people's right to freedom of expression and assembly. After frustrations with previous efforts to support SSR in the 1990s, this area of support deserves renewed focus at present – aiming to identify opportunities in the present context and learning from past experiences. A potential regional entry point may be civil society involvement in security sector reform. Increasing the scope of Sida's involvement in security issues would contribute to achieving results under result area two (especially around right to freedom of expression and assembly), while also serving as long term conflict-prevention measure.
- There is a need to maintain, and re-emphasise focus on protracted and 'frozen' conflicts. This is obviously very hard. Participatory conflict analysis involving diverse civil society actors may generate fresh ideas needed for engagement. In addition to building trust between conflicting parties in protracted conflicts, there is also need to build trust in parties hoping to mediate – EU and Western institutions. Work promoting inclusive and tolerant governance in self-declared republics is necessary to prevent further polarisation in the EaP region.

Result area three: environment

- It may be possible to use the relatively non-controversial nature (in terms of geo-politics) of this result area to demonstrate the benefits of European values and constructive

cooperation of state and civil society, as part of democracy promotion efforts where direct democracy promotion may be sensitive.

- Activities in this result area may also be used for regional cooperation in which Russian specialists could be involved, maintaining links and hopefully demonstrating usefulness of regional cooperation.
- Sida-led outreach on why diversification and environmental issues are important for all actors may help mitigate the risk that alternative energy sources and environmental issues are perceived as hypocritical, given Russian analyses of EU interest in EaP as linked solely to hydrocarbon access.

3.3. Conclusions relevant to Russia Results Strategy

The Ukraine crisis has increased pressure on CSOs working with Western partners, creating additional constraints on their ability to build relations and influence others. We suggest that Sida conducts a thorough risk assessment of new challenges and risks for civil society and initiatives and develop mitigation strategies to increase the chances of achieving expected outcomes.

Results Area One: Increased respect for human rights and the strengthening of development of democracy and citizen participation

- Countering increased hostility to democracy at a societal level is essential for success under this results area. Broad societal dialogue on what democracy entails and the benefits it can bring may challenge negative portrayals. In addition to Sida's named priorities, it may be beneficial to identify areas perceived as more pragmatic and which are likely to bring tangible benefits for society (for example improving rule of law, transparency and countering corruption as means of improving the business climate) as a focus for dialogue and subsequent reform efforts related to democracy promotion.
- Existing capacity building support for civil society actors should be reviewed and possibly refocused in order to counter the increasingly hostile environment in which they are working. Three key areas emerge: firstly, financing of CSOs – in the short term, core-funding for Russian CSOs is essential; however support to civil society to develop self-financing mechanisms and identify private donors within Russia is essential to facilitate the emergence of a genuinely independent civil society and mitigate the risks they are perceived as foreign agents. Secondly, capacity building efforts need to include a focus on outreach and grassroots mobilisation, to address the growing scepticism of the Russian population of Western-backed NGOs and increase the connections and 'grounding' of civil society with constituencies other than just pro-Western educated elites. Thirdly, diversification of partners to include groups harder to label as foreign agents (for example disparate groups of civil society activists, working through virtual networks; academic institutions; and professional bodies.
- Sida may wish to review the types of initiative it supports to reduce risk and increase potential for conflict prevention and trust building. This could include supporting local/national government involvement in civil society initiatives to mitigate risks of projects being perceived as confrontational. Work with independent media could incorporate a conflict-prevention lens, by providing access to different narratives on the conflict in Ukraine, and stimulating debate around this. Finally, although a departure from the current strategy Sida may wish to consider adding support for local-level income-generation activities to its portfolio of work in Russia. In addition to building trust in

Sida, if linked to discussions on improving the business climate through addressing corruption and strengthening the rule of law, this could help demonstrate the link between economic prosperity and democracy. It could also be linked to regional economic development programmes across Eastern Europe, providing opportunities for regional confidence-building.

Results area two: Enhancing the environment and reduced climate impact in Baltic Sea Region

- Utilise any opportunity under this results area to foster cooperation and debate between state institutions and civil society, with a particular emphasis on analysing interdependence and mutually beneficial solutions between countries in the region.
- Consider conducting a risk assessment to determine the extent that the Russian narrative that Ukraine conflict stems from Western interest in Russian hydrocarbons has undermined confidence of project targets and beneficiaries. If risk deemed substantial, develop increased outreach and awareness raising activities on the importance of global environmental issues and alternative energy sources.

Finally, we recognise that our suggestions are wide – ranging, with varying prospects for success in the present highly political and conflictual environment. We hope that they are at least useful stimuli for review and discussion at Sida.